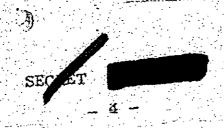
SECRET Declassified and Approved for Release July 2000 Report to Korry from Under Secretary Johnson on the 40 Committee Meeting of 14 September 1970: Johnson told Korry the 40 Committee had discussed the Alessandri election gambit. Korry was told he had at his discretion the requested contingency fund for covert support of projects and was told that he could, at discretion, was told that this fund would be disbursed as agreed on between him and the station chief.) All appropriate members of the US Mission should intensify military contacts. Korry was told his role was very delicate, requiring him to walk a fine line between getting out in front or allowing the (anti-Allende) will to flag. SECRET

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Minutes of 10 Committee Meeting of 30 September 1970
The Committee discussed economic measures to
take in Chile, "raising the noise level" with
specific economic pressures, so that such signals
might be viewed with alarm by the military.

"Mr. Karamessines reiterated that Ambassador Korry urged economic actions of this type at this time



Minutes of 40 Committee Meeting of 6 October 1970 Re amount of economic turmoil it would take to hudge the military into a take-over:

"It was apparent that both Frei and Korry flashed hot and cold, and this resulted in considerable inconsistency in point of view."

Re the risk of provoking expropriation by USG actions: "Mr. Kissinger was quite blunt: if higher authority had the choice of risking expropriation or Allende accession, he would risk the dangers of expropriation.....He urged that the US companies be pressed further."

Re USG posture of open hostility to Allende by overt economic warfare:

"Mr. Kissinger said the word should be spread in unmistakable terms short of being completely obvious."

Re reduction of military aid:

"CIA was directed...to help get the message over to the military in no uncertain terms that MAP faucets were to be turned off.... State would draft a message to Korry to this effect." Korry was turned down on his suggestion to reduce the military assistance group immediately, for fear it would look like our folding our tents.

Re guidance to Korry on meeting with Korry was to be instructed to make no commitments nor serve as any channel to Allenge and to accempt only to elicit the future role with an Allende regime.